

Message Text

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ACTION STR-01

INFO OCT-01 SS-14 ISO-00 EB-03 SP-01 L-02 NSC-07 NSCE-00

CIAE-00 INR-10 NSAE-00 RSC-01 AID-10 TRSE-00 COME-00

TAR-01 SSO-00 INRE-00 IO-03 EUR-10 AGR-03 OMB-01

DRC-01 PRS-01 /070 W

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O 241254Z APR 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 6756

INFO AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRASILIA IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY LUXEMBOURG IMMEDIATE

AMEMBASSY MONTEVIDEO IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

USMISSION OECD PARISIMMEDIATE

USMISSION GENEVA IMMEDIATE

C O N F I D E N T I A L EC BRUSSELS 2414

LIMDIS

MONTEVIDEO/BRASILIA/PASS AMBASSADOR EBERLE

E.O. 11652: GDS

TAGS: ETRD GATT EEC US

SUBJ: ARTICLE XXIV:6 NEGOTIATIONS

REF: A. EC BRUSSELS 2403; B. STATE 83029

1. SUMMARY. CHARGE CONVEYED TO WELLENSTEIN POINTS IN
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REFTEL B ON NEED FOR SATISFACTORY COMMISSION PROPOSAL.

WELLENSTEIN SAID THAT COMMISSION PROPOSAL, TO BE FINALIZED TODAY, APRIL 24, WILL EXCEED HIJZEN'S SUGGESTIONS TO THE APRIL 22 ARTICLE 113 COMMITTEE. HE IS GLOOMY ON THE ITALIANS, ESPECIALLY ON TOBACCO, AND DOUBTS EC PERM REP ACCEPTANCE OF THE COMMISSION'S PROPOSAL, WHICH HE HOPES TO CONVEY TO US IN BRUSSELS AND/OR WASHINGTON TODAY OR TOMORROW. END SUMMARY.

2. SUBSEQUENT TO OUR TALK WITH SOAMES (REFTEL A), THE CHARGE AND ECONOMIC COUNSELOR ON THE MORNING OF APRIL 24 MET WITH WELLENSTEIN, EC COMMISSION DIRECTOR GENERAL FOR EXTERNAL RELATIONS, TO CONVEY THE POINTS IN THE LATEST WASHINGTON GUIDANCE (REFTEL B). MALVE OF ORTOLI'S CABINET WAS PRESENT FOR PART OF THE DISCUSSION. WE STRESSED THAT HIJZEN'S SUGGESTIONS TO THE ARTICLE 113 COMMITTEE, WHICH MET IN PARIS ON APRIL 22, WERE INADEQUATE AND THAT THE US COULD NEITHER ACCEPT THEM NOR LIVE WITH THEM. AS ALREADY MADE CLEAR TO SOAMES, WE FELT THAT A VERY POSITIVE, LEADING PROPOSAL BY THE COMMISSION IS NOW NECESSARY TO PROVIDE A BASIS FOR SETTLEMENT OF THE ARTICLE XXIV:6 ISSUE.

3. WELLENSTEIN RESPONDED THAT, AS WE KNEW, THE FULL COMMISSION, MEETING IN STRASBOURG, IS EXPECTED TO APPROVE A NEW PROPOSAL TODAY. (HE WAS STILL WORKING ON LAST-MINUTE TECHNICAL DETAILS WHEN WE CALLED ON HIM.) THE PROPOSAL WOULD GO BEYOND HIJZEN'S SUGGESTIONS TO THE ARTICLE 113 COMMITTEE. HIJZEN HAD, IN EFFECT, REPORTED TO THE COMMITTEE ON THE OUTCOME OF THE NEW YORK DISCUSSIONS. EVEN THE TENTATIVE POSITION HE OUTLINED HAD ENCOUNTERED A NUMBER OF OBJECTIONS FROM COMMITTEE MEMBERS.

4. WELLENSTEIN SAID HE WAS FRANKLY GLOOMY. HE THOUGHT THAT THE COMMISSION'S RECOMMENDATIONS WILL BE SO FAR AHEAD OF WHAT ALL NINE CAN FINALLY ACCEPT THAT HE DOUBTS THE EC COMMITTEE OF PERM REPS WILL APPROVE THEM "EVEN SHOULD THERE BE A SECOND GO" -- PRESUMABLY AFTER THE INITIAL DISCUSSION ON APRIL 25.

5. WELLENSTEIN AND MALVE SAID THAT THE COMMISSION WANTS CONFIDENTIAL

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TO MEET THE US AND REACH AGREEMENT BUT MUST ALSO CONSIDER ITS RESPONSIBILITIES WITHIN THE COMMUNITY AND STAY WITHIN THE REALM OF WHAT IT IS CONCEIVABLE FOR THE MEMBER STATES ULTIMATELY TO ACCEPT.

6. COMMENTING PARTICULARLY ON THE ITALIAN SITUATION, WELLENSTEIN EXPRESSED SERIOUS DOUBT THAT IT WILL BE POSSIBLE TO GO MUCH FURTHER ON TOBACCO. HE MAINTAINS THAT

WE HAVE SUCCEEDED IN IMPRESSING ON THE ITALIAN GOVERNMENT THE IMPORTANCE OF CITRUS BY USE OF MAJOR PRESSURE. PARTLY FOR THIS REASON HE DOUBTS ITALY CAN GIVE MUCH ON TOBACCO. (COMMENT: SOAMES MADE A SIMILAR POINT TO US IN OUR APRIL 23 TALK. END COMENT.) THE ITALIAN GOVERNMENT IS VERY WEAK AND TOBACCO IS HEAVILY CHARGED POLITICALLY. WELLENSTEIN HAD JUST RECEIVED INFORMATION FROM LENG OF THE COMMISSION'S WASHINGTON OFFICE AGAIN UNDERLINING THE IMPORTANCE OF TOBACCO TO THE US. INCIDENTALLY, LENG HAD ALSO REPORTED A WASHINGTON INTEREST IN MARINE ENGINES. WELLENSTEIN THOUGHT SOMETHING COULD BE DONE ON THAT SCORE.

7. THROUGHOUT THE DISCUSSION WE MADE POINTS IN ACCORDANCE WITH THE WASHINGTON GUIDANCE, EMPHASIZING ESPECIALLY (A) THAT AMBASSADOR MALMGREN AND OUR NEGOTIATORS HAVE REPEATEDLY MADE CLEAR THE US DESIDERATA, INCLUDING TOBACCO, AND (B) THAT THE ARTICLE XXIV:6 QUESTION IS NOW A HIGH-LEVEL POLITICAL ISSUE AS SHOWN BY THE SCHEEL CORRESPONDENCE WITH SECRETARY KISSINGER. WE ALSO REMINDED WELLENSTEIN AND MALVE THAT THE US IS ENTITLED TO MEANINGFUL COMPENSATION FOR BROKEN BINDINGS, AND THAT WE CONTINUE TO HOPE AND EXPECT THAT THE COMMISSION WILL EXERT MAXIMUM LEADERSHIP WITH THE NINE IN TRYING TO REACH A SATISFACTORY SETTLEMENT.

8. WE ALSO EXPRESSED TO WELLENSTEIN OUR INTEREST IN BEING ADVISED OF THE DETAILS OF THE COMMISSION'S PROPOSALS AS SOON AS POSSIBLE. WELLENSTEIN SAID THAT THE FINAL PAPER DID NOT EXIST AS OF THE TIME OF OUR MEETING; THAT HE EXPECTED TO MAKE THE INFORMATION AVAILABLE
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOBACCO, FRUIT, TARIFF NEGOTIATIONS, ARTICLE XXIV 6, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU02414
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740096-0288
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740419/aaaaaqbx.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION STR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: A. EC BRUSSELS 2403; B. STATE 83029
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by boyleja>; APPROVED <10 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XXIV:6 NEGOTIATIONS
TAGS: ETRD, US, GATT, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005